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THE ROLE AND CONTRIBUTION OF AFRICAN WOMEN IN DOMESTIC TRADE

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I. INTRODUCTION

1. African women have historically and traditionally played an important role in domestic or internal trade. 1/ Historically women have always been the motivation behind the success of the daily, bi-weekly or weekly traditional markets. Traditionally, the African women constitute the backbone of the rural economies and trade constitutes an important element of the economic activities. This is significant when account is taken of the fact that in many countries, about 80-85 percent of the total population live in the rural areas largely outside the monetized economy.

2. The question of women's involvement in domestic trade is of special interest to Africa due to the fact that women, on their own, play a significant role in this particular field. Furthermore, their participation in the economic life of a country and their contribution to the Gross Domestic Product (GDP) is critical and has a direct impact on the economic and social structures of the African nations. Because of this fact and their numerical significance as a proportion of the economically active part of Africa's populations, the important role women have played and continue to play in Africa's development process needs be given more prominence in the policies and planning process of African countries than has hitherto been the case.

3. The purpose of this study is to analyse the issues relating to the nature and role played by women in African domestic trade based on available statistical data. It gives an assessment by inference to the observed level of women's involvement in trade and the analysis highlights the specific activities undertaken by women, the reasons for their involvement, their level of activity, the problems they encounter and some of the measures that are required to promote their activity and enhance their role in society.

II. GENERAL ISSUES OF DOMESTIC TRADE IN AFRICA

4. In order to situate properly the role of women in domestic trade, it seems necessary to give a general picture of domestic trade in Africa. Recent investigations show that, in most African countries, domestic trade has not received the attention it deserves despite the catalytic role that it can play to ensure real economic development in Africa. Indeed, a dynamic and organized system of domestic trade is a key element in boosting production, thereby promoting job creation, the distribution of income and the development of welfare in general since it facilitates producers' access to local raw materials or other inputs. It also provides access to markets and makes possible the satisfaction of consumers' needs. The reinforcement of domestic trade structures is therefore a pre-condition to the expansion of other forms of trade(intra-African and external).

1/ Domestic (internal) trade relates to the movement of commercial goods and services within the national boundaries of a country e.g. rural/urban, inter-urban or intra-rural.

5. Modern Economic history gives ample evidence to suggest that the nations with well developed internal trade structures also tend to have a faster rate of economic growth. By the same token, the low level of domestic trade in African countries and its rudimentary structures, particularly with respect to rural areas, have been identified as a major cause of the slow growth of African economies. The underlying assumption is that the rural areas, where between 80 and 85 percent of African population live, are a potential market for consumer goods from African industries which are presently producing below capacity. This potential is however not exploited because African rural areas remain isolated outposts for lack of road and transport infrastructure. Invariably all rural areas continue to survive in a subsistence economy, with the people living almost in autarkic communities. Trade flows, if any, are virtually in one direction: there is an outflow of agricultural commodities for export as cash crops while the inflow, if any, consists of a few manufactured consumption goods, like oil, soap, salt, sugar.

6. While most African countries recognize the need to expand domestic markets as a concrete step in promoting internally generated and self-sustaining growth, the high cost of developing the necessary road and transport infrastructure in support of domestic trade presents considerable problems. Trade in rural areas is therefore generally accorded very low priority in resources allocation and activity is highly concentrated in urban areas where the average purchasing power is much higher than in rural areas. A large proportion of African populations is therefore isolated and derives little or no benefit at all from national socio-economic development. Domestic trade structures therefore reflect the dualism which characterizes African economies in general where the distribution network in urban areas is easier due to existence of adequate road and transport facilities.

7. The development of distribution structures for domestic trade to satisfy the needs of rural consumers and producers involves the integration of the rural sector into national development and requires large investment resources. A key element in distribution is to strengthen indigenous trade operators who comprise individuals ranging from marketing agencies to petty traders. The role played by petty traders and retailers is to satisfy the small consumers which larger marketing enterprises do not cater for. There are also middlemen in the distribution who raise the price of products to the final consumer. To counter this, it must be emphasized that it is the responsibility of public authorities to facilitate the activities of private trade operators by ensuring stable, regular and reliable supply of goods particularly in rural areas where due to long distances from the centres of production the average consumer does not have a choice between several sources of supply.

8. Domestic trade in Africa is strongly linked with the agricultural sector in which women play a very important role both in terms of production and marketing. Since African economies continue to be based on agriculture, the integration of the rural communities into the mainstream of a country's economy is a sine qua non for African economic development. The monetization of subsistence agriculture is an essential step in that direction which should provide the necessary stimulus to other sectors such as transport and industry though the increased purchasing power of rural populations. Domestic trade is the vector for such development

and women's role in such trade will be enhanced through the modernization of the rural economies.

III. THE CONTRIBUTION OF WOMEN TO AFRICAN TRADE

(i) Women as trade operators

9. Traditionally, women in Africa have played an essential role in domestic trade operations and therefore in the distribution of goods to the population. Women continue to be highly involved in the informal trade sector which ensures the distribution of basic goods to a large part of the population. Trade also provides women with the much needed income for their family including the education and overall support of the children. The importance of women in trade can be appreciated by noting that in many African countries, women represent about 50 percent of the labour force engaged in the sector 2/ with shares varying from 2 percent in Algeria to 88 percent in Ghana 3/. According to an ECA report on African women's participation in food related activities 4/, their share in Africa as a whole accounts for 70 percent in food production and 60 percent in its marketing. It is also noted that "regions where women dominate in food trade are usually those characterized by female farming tradition" 5/. This degree of participation of women to trade varies according to the society to which women belong. For instance, in Moslem countries, women's participation in trade activities is estimated at less than 1 percent 6/. However, even then, they often play an active role without being visible, using children as "go-betweens" to deliver their products (processed foods) to the market place 7/.

10. Women's role in the trade sector as noted in African countries varies depending on the location and on their involvement in the production of the goods themselves. It is therefore necessary to examine where women traders operate, i.e. on which types of markets, and in what types of goods they are trading. For the purpose of this analysis, two broad categories of markets are identified: (a) urban and modern markets and (b) rural and traditional markets. They correspond broadly with the formal (urban and modern) and the informal (rural and traditional) trade sectors. This distinction is however not a very strict one. In most African countries the modern commercial sector is generally confined to urban areas.

2/ See Ester Boserup,"Woman's Role in Economic Development", Gower Publishing Company Ltd., England, 1986.

3/ "World Survey on the Role of Women in Development" Document A/CONF.116/4/ Rev.1: ST/ESA/180. United Nations Publications. Sales No. E.86.IV.3.

4/ "The Role of Women in Population Dynamics Related to Food and Agriculture and Rural Development Africa" - ECA/FAO -1974.

5/ See (1) p. 91

6/ See (1) p. 88

7/ "Women in Agriculture, No.3, Women in Food Production and Food Security in Africa" by Jennie Dey. FAO, Rome 1984 - p.12 and 27.

In other countries modern businesses and informal or traditional shops co-exist side-by-side in towns although each type has a different target in terms of clientele. They are a clear expression of the "economic dualism" which was referred to earlier. The higher average purchasing power of urban populations, the concentration of modern productive units (industry) and of infrastructure, as well as investments in general, around towns, have favoured the development of modern markets in urban areas only while the products from the agricultural sector and cottage industries tend to be sold in traditional markets.

11. There is ample evidence to show that women engaged in trade are found in the informal or traditional sector both in rural and urban areas. The reasons for the high representation include the ease of access typified by the non requirement of any special qualifications and a relatively small capital outlay which is required to start trading operations. For the same reasons, few women are involved in the wholesale trade and, in modern businesses, they form an insignificant proportion of the shop assistants who are mostly men 8/.

12. In the traditional sector, women work on a part-time basis or are self-employed; in most cases they also market their own products 9/. The quantities they handle are rather small, which explains why women often belong to the category of petty traders. They carry small stocks of goods either because of their limited surplus production or because of lack of working capital or proper storage. The products traded by women are a function of the types of markets in which they operate. In Africa, trade generally follows a single pattern: most manufactured and imported goods are sold in modern shops in the formal sector, although some of these goods like fertilizers, simple hand tools, plastics and tinware are also sold in rural markets while some consumer goods find their way to border markets. Agricultural produce, on the other hand, generally moves from rural areas to urban markets or from part of transborder trade. Local trade in rural areas is relatively low in terms of quantities and value but important for rural populations since it provides essential goods like agricultural produce and foodstuffs and commodities like oil, salt, sugar, spice and primary health care medicines. In most African countries the local markets are centres of intense trade activities where women are involved in selling a wide variety of goods including food, spices and agricultural products, vegetables, pulses etc. The same is true in what may be termed the rag trade involving tied dyed material, embroidered ready made dresses and children's clothing. Women traders in most African countries can therefore be considered as the main link in the food distribution chain while in the clothing and textile trade, their role is marginal.

8/ See (1) p. 92

9/ In rural markets the distinction between buyers and sellers is not always clear since many sellers use the cash they receive to buy other goods on the same markets before travelling back to their villages.

13. In the urban areas on the other hand, women are also involved, on a small scale, in formal trading activities in self-employed businesses. They run small well organised shops in the form of "boutiques" for more fashionable types of clothing, handicrafts, cosmetics, jewellery and other products of interest essentially to women such as shoes. The scope of such businesses is very limited and trade is confined to the local areas within the municipalities, with limited prospects for expanding to other localities or even to neighbouring countries.

14. From the above, one can classify women traders operating in the domestic trade sector according to three main broad categories:

(i) rural women (farmers) who sell their own surplus production. They are always part-time traders and self-employed and operate solely in their rural environment;

(ii) unskilled women in the urban areas or migrants to urban areas who trade mainly agricultural produce and simple clothing and handicrafts;

(iii) modernized urban women traders with various levels of skills and capital who are involved at all levels of trade in essentially modern goods for the more sophisticated women 10/. They are usually self-employed but many of them also employ other women as helpers.

15. Although this paper largely concentrates on domestic trade, it should be noted that women play a small but growing role in international trade in some parts of Africa. Indeed, some women are major exporters and importers of various types of articles - like textiles and jewellery - in West Africa. This trade belongs to the informal sector and takes place mainly at intra-African level particularly in border areas with neighbouring countries. In recent years, women do travels to centres in Europe and South Africa to import goods for sale. Such trade does not, however, take place in the modern sector of the economy through organized export procedures required in modern businesses. Rather women involved in this trade often work both as wholesale distributors and retailers for a particular type of article and are self-employed. Their activities, even if not officially registered, are an element of intra-African and external trade.

(ii) Women traders' motivations

16. Evidence suggests several reasons why women become involved in trade activities. In the first place, income levels are so low in Africa that women very often need to supplement their husband's salary. In some cases, the women's earnings are the sole income of the family either because the husband is not employed or the women has no husband but a family to support. In rural areas, women are often compelled to engage in trade in order to sell their own surplus production, whereas in urban areas, women enter the sector because they lack qualifications for entry into the modern competitive labour market. Another reason for choosing trade activities

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10/ See also footnote 3.

is limited time available to women. Household tasks often take a lot of their time, particularly in rural areas. Another reason is the small amounts of capital necessary to start trading, particularly at micro-retail level.

17. A second major reason for women's direct involvement in trade is the existence of family production offering limited number of products such as printed materials,tied dyed cloths and clothing and even woven materials and cottage products such as pots and baskets. These provide enough goods for one or two women family members to set up a stall in the market place in the rural areas, even in the home. Women may also be involved in trading activities which are linked with their husband's occupation such as in small scale fishing undertakings. The wives have stalls at the fishing village to sell the day's catch. The part-time nature of the work suits the convenience of women who need time to prepare food for the family and look after the children.

(iii) Women's contribution to development

18. Due to lack of adequate information it is not easy to assess in financial terms women's contribution to the economy. Generally, most women do not keep written records of their business activities. However, women traders play an important role today in most African countries, not only because they represent a large share of the labour force in that sector but also because they are trading in food and essential products, which are consumed by the whole population. They are also very much involved in trade in rural areas, where the majority of African population is living. Although at the sectoral level, their contribution is relatively small in terms of value of goods handled and product coverage and the incomes that they draw from their commercial activities are rather limited,they nevertheless constitute the backbone of rural development. Women's contribution to the domestic trade sector and their incomes from trade activities not only form a vital element in rural development but also in many cases shape the structure of the the society.

IV. PROBLEMS FACED BY AFRICAN WOMEN IN DOMESTIC TRADE

19. A quick review of the rural economic structures shows that due to several limiting factors, women's contribution to the domestic trade sector is not proportionate to the amount of effort they put in such trade. But their role is essential - as much as their trade activities are essential in terms of source of income. It is also rather disappointing that their contribution is limited in terms of value, geographical and product coverage. Their activities are generally confined to their immediate environment and to small quantities of goods available locally.

20. Among the obstacles met by women domestic trade operators in general, the following are critical:

(i) the lack of working capital because financial institutions do not generally grant loans or provide investment to rural communities,

especially women, even where credit facilities are available, women are often required to have their husbands, fathers or uncles guarantee such credits;

(ii) the lack of information about demand and supply conditions in rural areas coupled with lack of basic education and trading skills;

(iii) the lack of infrastructure such transport and communications in rural areas which makes the access to markets difficult. There are very few interconnecting roads and transport systems between the rural areas themselves;

(iv) the poor conditions in traditional market places in general especially shelters for sellers and products, unhealthy sanitary conditions, problems arising from the lack of storage for perishable nature of most goods and lack of packaging facilities;

21. In addition to these difficulties, African women traders are confronted with other constraints which are derived from traditions and attitudes of the society to which they belong:

(i) women's role in the family restricts their mobility and therefore limits their contacts and their access to information;

(ii) in many societies, women's access to education is still restricted whereas the men are free to select the type of education they want;

(iii) the role of women traders and the importance of domestic trade having generally not received due consideration, women traders are not offered training programmes that would enable them to expand or modernise their businesses;

(iv) in some societies, women engaged in trade are considered as having doubtful moral values and this often discourages them from engaging in such activities.

22. The obstacles and constraints enumerated above have direct consequences on women's trading activities. First, most women traders are involved at petty and retail trade level only and their inability to obtain financial credit excludes them from access to wholesale activities. In addition to the infrastructural obstacles that they meet, their lack of education and of training, and their limited access to credit restricts the scale of their operations and confines these to their immediate locality. Without substantial working capital they cannot extend their business outside urban periphery. Secondly even at retail trade level, women traders usually do not have the means to diversify, expand or modernize their small businesses. They mainly handle locally available goods. In the food sector, they operate virtually on a day-to-day basis because food products, in particular vegetables, do not keep for more than a few days. The business therefore involves more risks and entails more losses because of the scarcity of adequate infrastructure for faster transportation and for storage of the goods. As a result, women traders' earnings are very uncertain.

23. The lack of available information with respect to demand for the products both in urban and rural areas, also affects the volume of trade and women's earnings especially with regard to their cottage industries and handicraft products in general. Their lack of training in handicraft production also does not help them improve the quality of their products.

24. The above analysis shows clearly that the development policy does not equip women to play their role in a changing society where consumers' requirements are increasing. The women are also not equiped to enter the modern sector where they face competition with men who receive better education and financial means. In general, governments have not fully recognized that women traders in rural areas constitute a vital link in the food distribution chain between the rural and urban sectors. Moreover, there is a general lack of appreciation that the women's role in domestic trade will not improve unless appropriate measures are taken at official level to upgrade their skills, status and earnings.

V. PRACTICAL MEASURES IN SUPPORT OF WOMEN IN DOMESTIC TRADE

25. An important prerequisite for increasing the role of women in domestic trade is that women should be fully recognized as an important category of economic agents and particularly in the rural areas. The importance of their role in domestic trade must be understood by public authorities and fully backed by adequate policies and incentives. Women traders in rural areas should be made conscious of their contribution in the process of distribution of goods both in rural areas or in the cities.

26. Among the measures to be adopted by Governments in order to overcome the shortcomings of the domestic trade sector in general, is the restructuring of trade operators' networks. A lot of intermediaries intervene successively after the wholesaler or importer and networks become so unclear that African women traders are often overwhelmed by the problems they have to surmount. It has therefore been recommended that the role of women trade operators and the terms of their admission to the trade be defined; they should also be protected against competition from well established monopolies operating the sector 11/. This re-organisation of trade operators should be done to the advantage of women trade operators, who should be offered appropriate working conditions such that they can operate more efficiently.

27. In the restructuring process of trade operators networks, the government should also see that women traders are given chances to integrate into the

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11/ For more details, see "Women Farmers in Africa", L. CREEVEY (Editor), 1986, Syracuse University Press; "L'emploi des femmes en Afrique. Rapport de synthèse dans 6 pays francophones", BIT/PECTA, Addis Abeba, 1985, Rapport du Séminaire sur le rôle et les problèmes de la femme dans la commercialisation des produits vivriers en Afrique de l'Ouest, CEA-ATRCW, ST/ECA/ATRCW/82/08, Addis Abeba; Selected statistics and Indicators on the Status of Women - Report of the Secretary-General - UN Document - A/CONF.116/10 - 3 May 1985 - World Conference to Review and Appraise the Achievements of the UN Decade for Women - Nairobi, Kenya; "World Development: The urban informal sector", Vol.6, No. 9-10, 1978.

modern trade sector and to consolidate, modernize or expand their businesses. More specifically, the following measures need to be instituted without delay:

(i) Women traders should have better access to information. This implies first, that women should have better access to education; second, that their trading skills should be upgraded as a matter of priority. This recommendation applies particularly to women traders in rural areas who have few opportunities to move around to know about supply, demand and prices of the commodities they wish to trade in. Training programmes in the different aspects of trade have to be offered to women to improve the organisation and operation of their businesses. These training programmes should also be directed in particular towards introducing the largest numbers of women in trade;

(ii) Working conditions in traditional markets, both urban and rural, should be significantly improved. In the interest of both consumers and market traders, the market's sanitary conditions as well as the shelters for trade operators and products on sale should be improved. Special attention should be given to the fact that most market traders are women often accompanied by small children whose conditions should be taken into account;

(iii) The authorities should assist financially the traders to improve their transportation and storage capabilities so as to reduce the losses arising from the perishable nature of the goods; this would be to the advantage of both market traders, who could increase their volume of trade, and consumers who would benefit from better quality goods. Women traders who work in rural markets being often the producers themselves, it would also increase the incomes that they can draw from their productive activities;

(iv) Governments should persuade commercial banks and financial houses to provide credit facilities to women traders on better terms. This implies that women's access to credit facilities will enable women to increase their participation in the modern trade sector, both at the domestic and intra-African trade levels including the possibility of entering the wholesale distribution sector;

(v) Governments should support women by assisting them to create women traders associations to make them more conscious of their role and contribution to the domestic trade sector and spread information to them about any new legislation, services or training possibilities related to trade activities. Such associations could also help them to obtain institutional guarantee; women should also be encouraged to create or joint cooperatives for marketing their products;

(vi) Finally, the chambers of commerce should be urged by governments and the women's associations to admit more women in such chambers. Women who are involved in intra-African or external trade deserve particular attention. These women possess good entrepreneurial

skills and capabilities which could be encouraged to expand or diversify their businesses. They should be encouraged to travel to neighbouring countries to establish contacts with their counterparts. The subregional intergovernmental organizations engaged in trade should be reorganised to enable women to participate in intra-African and external trade and women's trader's associations should be invited to participate in meetings of the preferential trade areas.

VI. SUMMARY OF CONCLUSIONS

28. From the foregoing several conclusions can be drawn. Firstly, domestic trade plays a catalytic role in the productive system. Domestic trade is a major vehicle for the socio-economic development of a country. Today, in all African countries domestic trade is not playing this role fully because the major part of public investments is made in the development of infrastructure (roads, transport, storage facilities, etc.) for urban centres and their peripheries. There is little satisfaction of rural consumers demand and little incentives for production in rural areas. Although the restructuring of domestic trade and the rationalisation of distribution networks have been considered by the Governments of African countries as an important development objective there is still considerable reluctance to improve the operations of the domestic trade sector and to develop the necessary infrastructure to ensure its expansion.

29. Secondly, in Africa, women play an important role as traders and they represent 50 percent of the labour force. Most of them work at retail or petty level in the informal sector. The reasons for their involvement in the trade sector are many but the need to earn incomes to support the family is a predominant reason. However their progress in the domestic trade sector is hindered by both structural, social and attitudinal obstacles. In addition, women traders' position in the sector tends to become marginal and their economic situation tends to deteriorate relative to the general socio-economic development of the country as a whole.

30. Thirdly, although women trading experience and entrepreneurship have largely been recognized, Governments measures to enhance their contribution to domestic trade have not been commensurate with the needs of the women traders. Moreover, women have not been given the chance to enter the modern sector, and appropriate training opportunities and access to new forms of credit have been denied to them. In fact, most Governments have failed until now to perceive the contribution of domestic trade to socio-economic development and to appreciate the indispensable role of women traders in that process.

31. It is essential that government measures should be designed to promote the role of women in economic development because of their numerical and social importance in the rural communities. In particular, the measures recommended in Section V should be seriously implemented.